

Message Text

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EXDIS TOSEC 897////////////////////

E.O. 11652:GDS

TAGS:PFOR, OVIP (KISSINGER, HENRY A.)

SUBJECT:POSSIBLE KISSINGER-GROMYKO MEETING - PAPERS FOR
BILATERAL BRIEFING BOOK.

FOR S/S

1. FOLLOWING IS INDEX AND NEW PAPERS/UPDATES FOR SECRETARY'S BILATERAL BRIEFING BOOK FOR POSSIBLE MEETING WITH GROMYKO. REQUEST THAT S/S PLACE COPIES IN SECRETARY'S BOOK AND SONNENFELDT'S BOOK, WHICH IS ALSO ON SECRETARY'S PLANE.

2. INDEX IS AS FOLLOWS:

TAB A - SCOPE PAPER. INSERT TOSEC 420 AND TOSEC 802.

TAB B - BERLIN. ADD TOSEC 722 AND SECTO 382.

TAB C - CYPRUS. NEW PAPER AT PARA 3.

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TAB D - CSCE. NEW PAPER TO BE PROVIDED LATER BY TOSEC.

TAB E - STATUS OF COMPUTER CASES AND AIR TRAFFIC CONTROL SYSTEM. NEW PAPER AT PARA 4.

TAB F - US-USSR MARITIME TALKS. NEW PAPER AT PARA 5.

TAB G - US-USSR FISHERIES TALKS. USE EXISTING PAPER.

TAB H - BILATERAL ISSUES: MAKSIMOV CASE, ATTEMPTED KGB RECRUITMENT OF USIA GUIDE; VIOLATION OF SOVIET TERRITORIAL WATERS; VISA COMPLAINTS--NEW PAPER AT PARA 6.

TAB I - SOVIET PROPOSALS FOR V-E DAY CELEBRATIONS. NEW PAPER TO BE PROVIDED LATER BY TOSEC.

TAB J - US-USSR AGRICULTURAL COOPERATION. NEW PAPER AT PARA 7.

TAB K - CONSTRUCTION OF EMBASSIES AND OPENING OF CONSULATES. NEW PAPER AT PARA 8.

TAB L - US-USSR TRADE RELATIONS AND EMIGRATION. NO NEW PAPER NEEDED.

TAB M - TRAVEL AND VISAS OF SOVIET COMMERCIAL VISITORS. NEW PAPER AT PARA 9.

3. TAB C. ISSUES/TALKING POINTS (BEGIN SECRET)

CYPRUS

YOUR TALKING POINTS

-- WE DO NOT WANT CYPRUS TO BECOME AN IRRITANT IN US/ SOVIET RELATIONS.

-- WE BELIEVE THAT THE RECENT UN RESOLUTION CALLING FOR THE RESUMPTION OF INTERCOMMUNAL TALKS WITH AN EXPANDED ROLE FOR THE SECRETARY GENERAL WAS A VICTORY OF COMPROMISE, PATIENCE, AND REASON. WE HOPE THEY CAN BE RESUMED AS
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SOON AS POSSIBLE.

-- IN OUR JUDGMENT, THESE TALKS CONTINUE TO BE THE MOST REALISTIC FRAMEWORK FOR MAKING PRACTICAL PROGRESS ON A CYPRUS SETTLEMENT WHICH PRESERVES THE INDEPENDENCE AND TERRITORIAL INTEGRITY OF CYPRUS.

-- IN MY RECENT TALKS WITH GREEK AND TURKISH LEADERS, I

HAVE STRESSED THE URGENCY OF MAKING PROGRESS ON A SETTLEMENT AND OUR JUDGMENT THAT AN OPPORTUNITY NOW EXISTS FOR MAKING PROGRESS WHICH SHOULD NOT BE LOST.

-- WE HAVE NO "AMERICAN PLAN" FOR CYPRUS. RATHER, WE ARE ASSISTING THE PARTIES TO DEVELOP A SUBSTANTIVE FRAMEWORK FOR NEGOTIATIONS AND TO DEFINE AND RECONCILE THEIR RESPECTIVE VIEWS.

BACKGROUND

A MARATHON 3 1/2 WEEK UNSC EMERGENCY SESSION ON CYPRUS CONCLUDED MARCH 12 WITH A RESOLUTION CALLING FOR THE RESUMPTION OF THE INTERCOMMUNAL TALKS UNDER THE PERSONAL AUSPICES OF THE SECRETARY GENERAL AND "WITH HIS DIRECTION AS APPROPRIATE." NONE OF THE PARTIES WAS ENTIRELY PLEASED WITH THE COMPROMISE LANGUAGE AND THE SOVIET UNION, WHICH HAD LOBBIED FOR A WIDER NEGOTIATING FORUM, FOUND ITSELF ISOLATED AND OUT-MANEUVERED. WORSE YET, THE SOVIET REPRESENTATIVE MANAGED TO ANTAGONIZE THE NON-ALIGNED BY CRITICIZING THEIR "CAPITULATION TO NATO CIRCLES."

THE SECRETARY GENERAL IS NOW CONSULTING ABOUT A DATE AND PLACE FOR RESUMED NEGOTIATIONS. GREECE, FOR ITS PART, REMAINS ANXIOUS TO CUT ITS LOSSES AND GET THE

CYPRUS PROBLEM BEHIND IT. TURKEY, ITS HANDS STILL TIED BY THE LACK OF AN EFFECTIVE PARTY GOVERNMENT, DOES NOT FEEL THE SAME SENSE OF URGENCY. HOWEVER, TURKISH POLITICAL LEADERS WANT TO MAKE PROGRESS AND, DURING YOUR RECENT VISIT, PROMISED TO DEVELOP AGREED PARAMETERS OF POLICY ON CYPRUS SO THAT MEANINGFUL NEGOTIATIONS MIGHT
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PROCEED.

ON CYPRUS, THE SITUATION REMAINS BRITTLE AND BESET WITH UNCERTAINTY. THERE ARE SOME SIGNS THAT ANTI-MAKARIOS ELEMENTS ON THE RIGHT ARE BECOMING RESTIVE, BUT MAKARIOS IS FIRMLY IN CONTROL, BALANCING VARIOUS POLITICAL FACTIONS, SUBTLY FOSTERING ANTI-US SENTIMENT AND SCAPE-GOAT THEORIES TO DISTRACT ATTENTION FROM REAL PROBLEMS, AND HOLDING OUT THE "SOVIET OPTION." DISAPPOINTED BY THE OUTCOME OF THE UNSC SESSION, HE HAS TALKED ABOUT PREPARING FOR THE "LONG STRUGGLE" BUT HAS PRIVATELY CONCEDED TO THE BRITISH THAT HE COULD ACCEPT BI-REGIONAL FEDERATION IN RETURN FOR SUBSTANTIAL TERRITORIAL CONCESSIONS.

SOVIET POSITION

OVERALL SOVIET CALCULATIONS ON CYPRUS ARE SHAPED BY CYPRUS' POTENTIAL FOR CAUSING TROUBLE FOR THE U.S., GENERATING GREEK-TURKISH TENSIONS WHICH WEAKEN NATO'S SOUTHEASTERN FLANK, AND INCREASING SOVIET INFLUENCE IN THE EASTERN MEDITERRANEAN. WITHIN THIS CONTEXT, MOSCOW HAS SUPPORTED AN INDEPENDENT AND NON-ALIGNED CYPRUS, OPPOSED PARTITION AND BIZONAL FEDERATION, AND WORKED TO INTERNATIONALIZE THE CYPRUS QUESTION. JOINT US-USSR STATEMENTS FOLLOWING YOUR VLADIVOSTOK MEETING IN NOVEMBER AND YOUR GENEVA MEETING WITH GROMYKO IN FEBRUARY CALLED FOR "STRICT IMPLEMENTATION" OF UN RESOLUTIONS ON CYPRUS. IN GENERAL, MOSCOW'S OPTIONS ON CYPRUS HAVE BEEN CIRCUMSCRIBED BY THE SOVIET DESIRE TO MAINTAIN GOOD RELATIONS WITH TURKEY AS WELL AS BY US-USSR DETENTE CONSIDERATIONS. (END SECRET)

4. TAB E. ISSUES/TALKING POINTS: STATUS OF COMPUTER CASES AND AIR TRAFFIC CONTROL SYSTEM (BEGIN CONFIDENTIAL)

YOUR TALKING POINTS:

WITH REGARD TO COMPUTER LICENSING:

-- WE UNDERSTAND THE IMPORTANCE YOU PLACE ON THE COMPUTER
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SYSTEMS FOR KAMA, AEROFLOT AND INTOURIST.

-- I AM PLEASED THAT WE WERE ABLE TO ACT FAVORABLY ON THE COMPUTER SYSTEMS FOR KAMA AND AEROFLOT AND EXPECT THAT WE WILL BE IN A POSITION TO ISSUE THE EXPORT LICENSES AFTER CONFIRMING THE SPECIFIC CONDITIONS OF THE SALES WITH THE U.S. COMPANIES (IBM AND SPERRY UNIVAC).

-- THE COMPUTER SYSTEM FOR INTOURIST IS LARGER AND MORE COMPLEX AND WILL REQUIRE A MORE THOROUGH REVIEW BEFORE A DECISION CAN BE REACHED.

WITH REGARD TO AIR TRAFFIC CONTROL:

-- WE ARE DISTURBED BY REPORTS THAT AFTER TWO YEARS OF NEGOTIATIONS BETWEEN SPERRY-UNIVAC AND SOVIET ORGANIZATIONS, A COMMON APPRECIATION THAT THE SPERRY SYSTEM IS TECHNICALLY SUPERIOR TO THAT OF ITS COMPETITORS, AND OUR BELIEF THAT AN AGREEMENT WAS NEAR, THE SOVIETS ARE NOW CONSIDERING PROCUREMENT OF AN AIR TRAFFIC CONTROL SYSTEM FROM A NON-US SOURCE.

-- THE SPERRY-UNIVAC CASE HAS BEEN FULLY APPROVED FROM THE EXPORT CONTROL STANDPOINT. OUR STRONG INTEREST IN THIS CASE STEMS NOT ONLY FROM OUR INTEREST IN PRESERVING US BUSINESS CONFIDENCE IN DEALINGS WITH THE USSR -- AND THE ATC TRANSACTION IS WELL KNOWN TO THE US BUSINESS COMMUNITY -- BUT ALSO FROM USG INVOLVEMENT IN SECURING APPROPRIATE EXPORT CONTROL APPROVALS, FAA FUNDING OF MOST OF THE DEVELOPMENT COSTS FOR THE SPERRY SYSTEM, AND FAA READINESS TO PROVIDE SOFTWARE AND TECHNICAL GUIDANCE FOR A U.S. MANUFACTURED ATC SYSTEM UNDER THE US-USSR AGREEMENT ON TRANSPORTATION.

ANALYSIS/BACKGROUND

THE COMPUTERS

THE SOVIETS ARE SEEKING U.S. GOVERNMENT APPROVAL FOR THE SALE OF THREE LARGE COMPUTER SYSTEMS: (1) AN IBM 370/158

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FOR THE KAMA TRUCK PLANT FOUNDRY; (2) A PAIR OF UNIVAC 1106 II COMPUTERS FOR THE AEROFLOT RESERVATION SYSTEM; AND (3) A PAIR OF IBM 370/158 COMPUTERS FOR THE INTOURIST RESERVATION SYSTEM. EMBASSY MOSCOW CONSIDERS THAT OUR DECISIONS ON THESE CASES WILL BE EXAMINED AT THE HIGHEST LEVEL OF SOVIET LEADERSHIP AND MAY WELL HAVE AN IMPACT ON OUR OVERALL RELATIONSHIP.

SINCE EACH OF THESE SYSTEMS HAS HIGHER PERFORMANCE THAN ANY U.S. COMPUTER PREVIOUSLY APPROVED FOR ANY COMMUNIST COUNTRY, THEIR APPROVAL COULD BE CONSIDERED ONLY ON THE BASIS OF STRINGENT RESIDENCY AND MONITORING CONDITIONS. SUCH A SET OF SAFEGUARD CONDITIONS HAS BEEN AGREED BETWEEN THE U.S. GOVERNMENT AND IBM IN THE KAMA CASE AND SPERRY/UNIVAC IN THE AEROFLOT CASE. THE KAMA CONDITIONS HAVE BEEN LARGELY AGREED BETWEEN IBM AND THE SOVIETS, AND THE UNIVAC CONDITIONS ARE BEING DISCUSSED WITH THE SOVIETS. WE HAVE SUBMITTED THE KAMA CASE TO COCOM FOR INTERNATIONAL APPROVAL AND WILL SUBMIT THE AEROFLOT CASE AS SOON AS THE AMERICAN COMPANY HAS CONFIRMED THE SAFEGUARD CONDITIONS WITH THE PURCHASER. WHILE WE EXPECT ULTIMATE COCOM APPROVAL OF BOTH CASES, THE SEVERAL PRECEDENTS INVOLVED WILL PROBABLY LEAD TO A SEARCHING COCOM REVIEW AND SOME WEEKS OF DELAY.

THE INTOURIST CASE REPRESENTS A SPECIAL PROBLEM BECAUSE OF THE LARGE AMOUNT OF PERIPHERAL MEMORY. A POSSIBLE SAFEGUARDS SYSTEM THAT INCLUDES A SCALING DOWN OF THE MAIN FRAME COMPUTERS HAS BEEN DISCUSSED WITH IBM BUT ITS FURTHER DE-

VELOPMENT IS CONTINGENT ON RESOLUTION OF CERTAIN POLICY QUESTIONS BY IBM.

THE AIR TRAFFIC CONTROL SYSTEM

THE SOVIETS HAVE INDICATED THAT THEY WISH TO PURCHASE AN ARTS III AIR TRAFFIC CONTROL SYSTEM FOR THREE TERMINALS IN THE USSR FROM SPERRY/UNIVAC. THE COMPANY HAS FILED AN APPLICATION FOR AN EXPORT LICENSE, WHICH HAS NOW BEEN APPROVED. IF THE SOVIETS PURCHASE U.S.-MANUFACTURED EQUIPMENT, THE FEDERAL AVIATION ADMINISTRATION IS PREPARED TO FURNISH TECHNICAL ASSISTANCE AND SOFTWARE ON A REIMBURSABLE SECRET

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BASIS. THE PRICE TAG FOR THE FIRST STAGE OF THE SOVIET PROGRAM TO EXPAND AND MODERNIZE THEIR NATIONAL AIR TRAFFIC SYSTEM IS 35.1 MILLION DOLLARS; THE ESTIMATED TEN-YEAR COST OF THE ENTIRE PROJECT IS ESTIMATED AT 700 MILLION DOLLARS-1 BILLION DOLLARS, SOME 60-70 PERCENT OF WHICH WOULD BE IMPORTED EQUIPMENT.

SPERRY/UNIVAC REPRESENTATIVES IN MOSCOW, HOWEVER, HAVE

RECENTLY BEEN INFORMED THAT HIGHER SOVIET AUTHORITIES HAVE ORDERED PROCUREMENT OF THE ATC SYSTEM FROM A COMPETING SWEDISH FIRM AND GAINED THE IMPRESSION THAT THIS DECISION WAS PREDICATED ON POLITICAL GROUNDS. WE HAVE CONFIRMED TO THE SOVIETS, BOTH IN MOSCOW AND IN WASHINGTON, OUR STRONG SUPPORT FOR THIS TRANSACTION.

WE ALSO HOPE THAT THE FAVORABLE DECISION ON THE AEROFLOT COMPUTER CASE FOR SPERRY/UNIVAC MAY INFLUENCE THE SOVIETS TO GO AHEAD WITH THE AIR TRAFFIC CONTROL DECISION THAT INVOLVES THE SAME COMPANY.

U.S. POSITION

WE THINK THE SALE OF LARGE COMPUTER SYSTEMS TO THE USSR IS BENEFICIAL TO U.S. COMPANIES AND REPRESENTS THE KIND OF COOPERATIVE COMMERCIAL VENTURE TO WHICH THE SOVIETS ATTACH IMPORTANCE AS EVIDENCE OF EXPANDING BILATERAL ECONOMIC COOPERATION. AT THE SAME TIME, WE HAVE TO BE CERTAIN THAT OUR ADVANCED TECHNOLOGY IS PROTECTED AND THAT THERE ARE ADEQUATE SAFEGUARDS AGAINST DIVERSION TO STRATEGIC USES, IN ACCORDANCE WITH OUR COCOM OBLIGATIONS.

WITH RESPECT TO THE AIR TRAFFIC CONTROL SYSTEM, WE ATTACH IMPORTANCE TO A FAVORABLE SOVIET DECISION BOTH AS AN INDICATION OF CONTINUED SOVIET INTEREST IN A CLOSE TRADE RELATIONSHIP WITH THE U.S. AND AS THE BEGINNING OF MORE EXTENSIVE

COOPERATION BETWEEN U.S. COMPANIES AND THE USSR IN CIVIL
AIR MATTERS.

SOVIET POSITION

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THE SOVIETS ATTACH IMPORTANCE TO A FAVORABLE DECISION ON
THE COMPUTER CASES AND SEEM PREPARED TO GO ALONG WITH
REASONABLE RESIDENCY AND MONITORING CONDITIONS TO THIS
END. THEY PROBABLY WILL FOLLOW UP WITH FURTHER SUBSTANTIAL
ORDERS BASED ON THE KAMA AND AEROFLOT PRECEDENTS.

THE RATIONALE FOR THE REPORTED SOVIET DECISION TO SWITCH
PROCUREMENT OF THE AIR TRAFFIC CONTROL SYSTEM FROM U.S. TO
OTHER SOURCES IS NOT ENTIRELY CLEAR. IF THE DECISION WAS
MOTIVATED BY A DESIRE TO SPEED UP U.S. LICENSE APPROVAL,
THE FINAL U.S. AND COCOM DECISION REMOVES THAT MOTIVE. IT
IS CONCEIVABLE THAT THERE IS A POLITICAL MOTIVATION INVOLVED
SINCE WE HAVE SURFACED THIS ISSUE WITH THE SOVIETS, IT
WILL BE NECESSARY FOR THEM TO TAKE THE POLITICAL IMPACT IN-
TO ACCOUNT IN MAKING THEIR DECISION.(END CONFIDENTIAL)

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5. TAB F. ISSUES/TALKING POINTS

US-USSR MARITIME TALKS

-- WE VALUE THE MARITIME COOPERATION WHICH HAS DEVELOPED
UNDER OUR 1972 BILATERAL AGREEMENT ON CARGO SHARING AND
PORT ACCESS. WE ARE GRATIFIED THAT THE MARCH 10-14 TALKS
IN MOSCOW RESULTED IN CLARIFICATION OF PROVISIONS OF THE
AGREEMENT IN IMPORTANT AREAS OF MUTUAL CONCERN -- THE
SHARING AND ACCOUNTING FOR THE TRANSPORT OF BILATERAL
CARGO BY OUR MERCHANT MARINE FLEETS, AND THE SHIPMENT OF
CORN IN TANKERS. WE HOPE WE CAN AGREE TO AMEND THE INDEX
FOR SETTING FREIGHT RATES BEFORE IT LAPSES ON MARCH 31.

-- THE BASIC BILATERAL MARITIME AGREEMENT EXPIRES ON
DECEMBER 31, 1975. WE LOOK FORWARD TO MAKING FURTHER
PROGRESS ON RENEWING THE BASIC AGREEMENT AT THE NEXT
ROUND OF BILATERAL MARITIME TALKS, WHICH ARE SET TENTA-
TIVELY FOR MAY 26 IN WASHINGTON.

SOVIET POSITION

THE SOVIETS BADLY WANT TO RENEW THE 1972 MARITIME AGREE-
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MENT, AS IT ASSURES SOVIET SHIPPING EASIER ACCESS THAN EVER BEFORE TO US PORTS. THIS ACCESS ENABLES THE SOVIET MARITIME FLEET TO CARRY NOT ONLY A SUBSTANTIAL SHARE OF US-USSR TRADE, BUT ALSO -- AND MORE IMPORTANTLY FOR HARD CURRENCY EARNINGS -- TO TRANSPORT CARGO BETWEEN THE US AND THIRD COUNTRIES. A NEW AGREEMENT WOULD ENABLE THE SOVIETS TO CONTINUE TO EARN OVER 150 MILLION DOLS. ANNUALLY IN HARD CURRENCY, EVEN IF US-SOVIET TRADE SHOULD STAGNATE. NOT SATISFIED WITH THESE BENEFITS, THE SOVIETS RECENTLY SOUGHT TO REDEFINE THREE PROVISIONS OF THE CURRENT (AND IPSO FACTO THE NEW DRAFT) AGREEMENT IN A WAY WHICH WOULD REDUCE SIGNIFICANTLY THE ABILITY OF US SHIPPING TO PARTICIPATE IN THE CARRYING OF BILATERAL CARGO, SAVING THE SOVIETS HARD CURRENCY. FOLLOWING A POLITICAL APPROACH BY HARTMAN TO VORONTSOV, THE SOVIETS BEAT A RETREAT AT THE MOSCOW TALKS MARCH 10-14.

THE SOVIETS ARE HOWEVER TAKING A TOUGH LINE ON THE PRINCIPAL OPERATIONAL ISSUE UNDER THE CURRENT AGREEMENT -- THE COMPOSITION OF THE INDEX ESTABLISHED IN 1973 TO SET FREIGHT RATES BETWEEN US GULF PORTS AND THE BLACK SEA. SPECIFICALLY, THE SOVIETS REFUSE TO RECOGNIZE THE FACT THAT THE BASE OF THE INDEX (RATES BETWEEN THE GULF AND 'ESTERN EUROPE) HAS BECOME DISTORTED BY THE ENTRY OF SUPERTANKERS INTO THE TRADE -- SHIPS TWO TO THREE TIMES AS LARGE AS THOSE WHICH CAN BE USED ON THE GULF-BLACK SEA RUN (THE BLACK SEA PORTS ARE TOO SHALLOW FOR SUPERTANKERS). UNLESS THE INDEX IS EXTENDED IT WILL LAPSE ON MARCH 31. THEREAFTER THE RATE FOR EACH SHIPMENT WOULD HAVE TO BE NEGOTIATED INDIVIDUALLY, A TIME CONSUMING PROCESS THAT WOULD DOUBTLESS ENGENDER HARD FEELINGS ON BOTH SIDES.

US POSITION

WE ARE FAVORABLY DISPOSED TOWARD A RENEWAL OF THE MARITIME AGREEMENT PROVIDED THE BENEFITS TO AMERICAN SHIPPING EMBODIED IN THE 1972 AGREEMENT CAN BE CONTINUED. WE BELIEVE THAT CURRENT AND POTENTIAL HARD CURRENCY EARNINGS OF THE SOVIET MARITIME FLEET ARE SO SUBSTANTIAL THAT THE SOVIETS WILL ACCEPT THE US POSITION, EVEN THOUGH

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THEY WILL NEGOTIATE HARD TO LIMIT REQUIREMENTS THAT THEY USE US SHIPS.

IN RETREATING MARCH 10-14 ON THREE DISPUTED ASPECTS OF CARGO SHARING, THE SOVIETS IN FACT MADE NO CONCESSIONS. THEY AGREED TO ABIDE BY WHAT THE CURRENT AGREEMENT AND SIGNED MEMORANDA CLEARLY STATE IN ENGLISH AND IN RUSSIAN:

1) US SHIPS WILL CARRY AT LEAST ONE THIRD OF THE BILATERAL CARGO, 2) US TANKERS WILL BE USED TO TRANSPORT CORN, AND 3) ACCOUNTING PERIODS WILL BE QUARTERLY (VICE MONTHLY). ON THE FREIGHT RATES ISSUE, WE MAINTAIN THAT THE INDEX BASE WAS VALID FROM 1973 UNTIL THE RECENT ENTRY OF SUPERTANKERS. WE AGREE WITH THE SOVIETS THAT AN INDEX IS DESIRABLE, BUT UNLESS IT CAN BE AMENDED TO TAKE THE SUPERTANKERS INTO ACCOUNT, THE INDEX REGRETTABLY MUST LAPSE ON MARCH 31. ALSO, US FIRMS WANT TO SHARE IN THE UNDERWRITING OF MARINE INSURANCE ON BILATERAL CARGOES, WHICH IS NOW MONOPOLIZED 100 PER CENT BY THE SOVIETS. (END LIMITED OFFICIAL USE).

6. TAB H. ISSUES/TALKING POINTS (BEGIN SECRET)

BILATERAL TROUBLE SPOTS: CONTINGENCY TALKING POINTS

SUMMARY. WE HAVE HAD A NUMBER OF MINOR BILATERAL PROBLEMS WITH THE SOVIETS WHICH GROMYKO MAY RAISE IF HE IS IN A MOOD TO AIR COMPLAINTS. A VIOLATION OF SOVIET TERRITORIAL WATERS IN THE BLACK SEA, DENIAL OF VISAS TO SOVIETS WITH INTELLIGENCE CONNECTIONS, AND AN ARREST OF AN AMTORG EMPLOYEE IN NEW YORK ARE ITEMS HE MIGHT RAISE. IF HE GETS INTO THESE MATTERS, YOU MIGHT BRING UP THE CASE OF AN ATTEMPTED KGB RECRUITMENT OF A US EXHIBIT GUIDE IN THE USSR.

A) US NAVAL VIOLATION OF SOVIET TERRITORIAL WATERS

TALKING POINT

-- WE VERY MUCH REGRET THE INADVERTENT VIOLATION OF SOVIET TERRITORIAL WATERS BY AMERICAN NAVAL VESSELS MARCH 10. WE HAVE TAKEN STEPS TO ENSURE THAT THIS DOES
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NOT REOCCUR.

BACKGROUND

DURING 'OPERATION SILVER FOX," A PERIODIC US NAVAL TRANSIT OF THE BOSPORUS AND VOYAGE IN THE BLACK SEA, TWO OF OUR SHIPS MISTAKENLY PENETRATED SOVIET TERRITORIAL WATERS BY ABOUT ONE NAUTICAL MILE IN THE VICINITY OF A SMALL ISLAND 25 MILES OFF THE COAST. THE SOVIETS SENT EMBASSY MOSCOW A MILD PROTEST NOTE MARCH 15; AMBASSADOR STOESSEL RE-

SPONDED WITH AN ORAL EXPRESSION OF REGRET ON MARCH 20.
THE NAVY IS INVESTIGATING THE INCIDENT.

B) PRESS ACCOUNTS OF SOVIET ESPIONAGE IN US

TALKING POINT

-- WE AGREE THAT THE RESOLUTION OF SENSITIVE MATTERS OF
THIS SORT IS NOT AIDED BY PUBLICITY, WHETHER IN US OR
SOVIET NEWS MEDIA. IT IS OF COURSE IMPORTANT FOR BOTH
SIDES TO WATCH ACTUAL PRACTICES CAREFULLY, AS OUR RELA-
TIONS ARE NOT HELPED WHEN, DESPITE OUR WISHES, UNFORTUNATE
CASES COME TO PUBLIC LIGHT.

BACKGROUND

ON FEBRUARY 20 THE SOVIET EMBASSY PROTESTED A WASHINGTON
STAR-NEWS ARTICLE, FEATURING ATTRIBUTED INTERVIEWS WITH

SENIOR FBI OFFICIALS, WHICH DETAILED THE FBI'S CONCERN
OVER SOVIET ESPIONAGE ACTIVITIES IN THE US. IN APPARENT
RETALIATION, THE SOVIETS LEAKED AN UNFOUNDED STORY IN
MOSCOW THAT AN AMERICAN FOREIGN SERVICE OFFICER WAS IN-
VOLVED IN A RECENT ESPIONAGE CASE IN THE USSR. WE ARE
ARRANGING A MEETING WITH ATTORNEY GENERAL LEVI TO
DISCUSS THIS AND RELATED PROBLEMS AND ASK THAT THE FBI
RESTRICT ITS CONTACTS WITH THE PRESS REGARDING SOVIET
SPYING, AS A FOLLOW-UP TO THE ACTING SECRETARY'S PHONE
CONVERSATION WITH LEVI.

C) VISA COMPLICATIONS

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TALKING POINTS

-- WE REMAIN FULLY COMMITTED TO EXPANDING OUR BILATERAL
TIES AND RELUCTANTLY DENY VISAS ONLY WHEN OVERRIDING
SECURITY CONCERNS ARE INVOLVED.

-- WE EXERCISE GREAT CARE IN SELECTING APPROPRIATE US
PARTICIPANTS IN OUR EXCHANGE PROGRAMS; WE OF COURSE
EXPECT THE SOVIET SIDE TO DO LIKEWISE. ILL-FOUNDED
RETALIATION IN ISSUING OR WITHHOLDING VISAS CAN ONLY
COMPLICATE US-SOVIET COOPERATION.

BACKGROUND

THE IMMIGRATION AND NATURALIZATION SERVICE, ACTING ON THE
BASIS OF INFORMATION PROVIDED BY THE FBI, HAS BLOCKED

THE ISSUANCE OF VISAS TO SEVERAL SOVIET OFFICIALS WHO ARE SUSPECTED OF INTELLIGENCE AFFILIATIONS. CITING OUR DELAY IN ISSUING VISAS TO TWO SUCH SOVIETS, THE SOVIET SIDE HAS DENIED VISAS TO TWO US LECTURERS (ONE OF WHOM IS FORMER ASSISTANT SECRETARY OF STATE CHARLES FRANKEL, THE OTHER POLITICAL SCIENCE PROFESSOR ARRON WILDAVSKY) SCHEDULED TO VISIT THE USSR UNDER A NEW EXCHANGE PROGRAM.

D) MAKSIMOV ARREST

TALKING POINTS

-- WE HAVE DETERMINED THERE IS NO QUESTION THAT AMTORG EMPLOYEE MAKSIMOV, WHILE APPARENTLY INTOXICATED, MADE OFF WITH AN UNOCCUPIED TAXI AND CAUSED A MINOR AUTO ACCIDENT BEFORE BEING APPREHENDED BY THE NEW YORK POLICE MARCH 14.

-- AS REQUESTED BY THE SOVIET EMBASSY, WE ARE ATTEMPTING TO ARRANGE FOR MAKSIMOV'S PROMPT DEPARTURE FROM THE US, ON THE UNDERSTANDING THE SOVIET SIDE WILL PAY FOR DAMAGES

HE CAUSED AND ANY FINE THE COURT ASSESSES.

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AMTORG EMPLOYEE MAKSIMOV, WHO HAD BEEN DRINKING, ABSCONDED WITH AN UNATTENDED TAXI IN DOWNTOWN MANHATTAN MARCH 14 AND SIDESWIPE ANOTHER CAR BEFORE BEING ARRESTED. THE SOVIETS INITIALLY DISPUTED THE FACTS AND PROTESTED THE ARREST AS AN OFFICIALLY-INSPIRED PROVOCATION BUT HAVE SUBSEQUENTLY ASKED THAT WE ARRANGE FOR MAKSIMOV'S SPEEDY DEPARTURE FROM THE US. WE HAVE APPROACHED THE NEW YORK CITY DISTRICT ATTORNEY'S OFFICE REGARDING THE POSSIBILITY THAT MAKSIMOV PLEAD GUILTY TO REDUCED CHARGES, PAY A FINE AND DAMAGES, AND PROMPTLY DEPART. WE BELIEVE SOMETHING ALONG THESE LINES CAN BE WORKED OUT. THE FBI HAS IDENTIFIED MAKSIMOV AS AN INTELLIGENCE AGENT.

E) ATTEMPTED RECRUITMENT OF USIA EXHIBIT GUIDE

TALKING POINT (IF GROMYKO RAISES MAKSIMOV INCIDENT)

-- I FEEL COMPELLED TO MENTION A MOST UNFORTUNATE INCIDENT INVOLVING ONE OF THE AMERICAN GUIDES IN OUR "TECHNOLOGY IN THE AMERICAN HOME" EXHIBIT CURRENTLY IN TASHKENT. WITHOUT GOING INTO THE DETAILS, IT IS CLEAR A CRUDE ATTEMPT WAS MADE BY SOVIET OFFICIALS TO RECRUIT THIS YOUNG MAN FOR INTELLIGENCE PURPOSES. THIS WAS

ENTIRELY INAPPROPRIATE TO THE STATE OF OUR BILATERAL RELATIONS AND SPECIFICALLY TO THE CONDUCT OF OUR CULTURAL EXCHANGE PROGRAMS.

BACKGROUND

AFTER CONTRACTING VENEREAL DISEASE FROM A SOVIET FEMALE, ONE OF OUR USIA EXHIBIT GUIDES WAS BLACKMAILED BY THE KGB INTO PROVIDING DETAILED INFORMATION ABOUT THE EXHIBIT AND HIS FELLOW GUIDES AND SIGNING A COMMITMENT TO BE "FRIENDLY" TO THE USSR. AFTER SEVERAL WEEKS, THE GUIDE CONFIDED IN EXHIBIT OFFICIALS AND HAS BEEN WITHDRAWN FROM THE EXHIBIT. WE PLAN TO PROTEST THE INCIDENT. (END SECRET).

7. TAB J. ISSUES/TALKING POINTS: US-USSR AGRICULTURAL COOPERATION (BEGIN CONFIDENTIAL)

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YOUR TALKING POINTS:

-- I AM PLEASED THAT THE IMPROVED CROP SITUATION IN THE UNITED STATES RECENTLY PERMITTED MY GOVERNMENT TO MAKE AVAILABLE FOR EXPORT TO THE SOVIET UNION UP TO 500,000 ADDITIONAL TONS OF CORN FROM THE 1974 CROP SHOULD THE USSR DECIDE TO BUY IT.

-- I WOULD EXPECT THAT THE SOVIETS WOULD SPACE THE PURCHASES.

-- OUR DECISION TO MAKE AVAILABLE ADDITIONAL CORN REFLECTS THE DESIRE OF THE U.S. GOVERNMENT TO ACCOMMODATE SOVIET INTERESTS TO THE EXTENT POSSIBLE WITHIN OUR ABILITY TO DO SO.

-- OUR ACTION OF LAST FALL IN SETTING LIMITS ON PURCHASES OF GRAIN FOR EXPORT WAS TAKEN TO ASSURE U.S. DOMESTIC SUPPLIES AND MEET AS FULLY AS POSSIBLE THE REQUIREMENTS OF ALL U.S. CUSTOMERS.

-- IN THIS PERIOD OF WORLD FOOD SCARCITY, MAXIMUM COOPERATION AMONG NATIONS IS NEEDED, PARTICULARLY BETWEEN SUCH LARGE PRODUCERS AND CONSUMERS AS THE U.S. AND THE USSR.

-- WE CONTINUE TO BE CONCERNED ABOUT THE NEED FOR ADVANCE INFORMATION ON INTENDED PURCHASES OF U.S. GRAIN AND SOYBEANS. IT IS TO OUR MUTUAL ADVANTAGE OFFICIALLY TO DISCUSS SUCH PURCHASES BEFOREHAND SO AS TO AVOID REPE-
TITION OF THE UNFORTUNATE PUBLICITY CREATED IN THE PAST.

BACKGROUND ANALYSIS:

(1) LAST FALL THE ADMINISTRATION INTERVENED TO SUSPEND GRAIN EXPORTS TO THE USSR BECAUSE REPORTS INDICATED THAT SALES TO THE SOVIETS COULD TOTAL 4 TO 6 MILLION TONS, AND PURCHASES OF THIS MAGNITUDE COULD HAVE SEVERELY DISRUPTED U.S. MARKETS IN VIEW OF THE REDUCED 1974 GRAIN CROP. THE ADMINISTRATION ALSO INTRODUCED A NEW VOLUNTARY SYSTEM OF REPORTING AND PRIOR USG APPROVAL OF EXPORT
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CONTRACTS FOR GRAINS AND SOYBEANS OVER 50,000 TONS. IN DETERMINING WHICH PROPOSED SALES WOULD BE GIVEN PRIOR APPROVAL, THE GOVERNMENT CONSIDERED THE TOTAL ANNUAL REQUIREMENTS OF THE COUNTRY INVOLVED AND THE EXTENT TO WHICH THOSE REQUIREMENTS HAD ALREADY BEEN COVERED.

(2) AFTER SECRETARY SIMON'S DISCUSSIONS IN MOSCOW LAST OCTOBER, WE REVIEWED THE SITUATION AND REACHED AGREEMENT WITH THE USSR THAT ITS GRAIN PURCHASES FOR THE 1974-75 CROP YEAR WOULD BE LIMITED TO 1.2 MILLION TONS OF WHEAT AND 1 MILLION TONS OF CORN. SUBSEQUENTLY, THE USSR REQUESTED THE CANCELLATION OF 200,000 TONS OF WHEAT FROM THE AGREED AMOUNTS, AND SUBSTITUTION OF CORN IN THE NEXT CROP YEAR. EARLIER THIS MONTH, FOLLOWING A REEVALUATION OF THE SUPPLY/DEMAND SITUATION BY USDA, WE TERMINATED THE PRIOR APPROVAL SYSTEM AND OFFERED THE SOVIETS UP TO 500,000 ADDITIONAL TONS OF CORN FROM THE CURRENT CROP.

(3) IN INFORMING SOVIET CHARGE VORONTSOV OF THE INCREASED AVAILABILITY, COUNSELOR SONNENFELDT ASKED THAT IF THE SOVIETS DID DECIDE TO BUY THE ADDITIONAL CORN, THE PURCHASES SHOULD BE MADE IN AN ORDERLY MANNER SO AS TO AVOID ADVERSE MARKET IMPACT. SONNENFELDT ADDED THAT WE CONTINUED TO BE CONCERNED ABOUT THE NEED FOR ADVANCE INFORMATION FROM THE SOVIETS ON INTENDED PURCHASES OF U.S. GRAIN AND SOYBEANS. VORONTSOV SAID HE DID NOT KNOW WHETHER MOSCOW WOULD BE INTERESTED IN ADDITIONAL CORN BUT HE WOULD INFORM IT OF ITS AVAILABILITY.

U.S. POSITION:

(1) IT IS TO OUR ADVANTAGE TO OFFER THE SOVIETS THE ADDITIONAL CORN BECAUSE OF NEW AND LOWER DEMAND ESTIMATES IN THE U.S. AND AS AN EXPRESSION OF OUR DESIRE TO ACCOMMODATE SOVIET INTEREST TO THE EXTENT POSSIBLE WITHIN OUR ABILITY TO DO SO.

(2) IN MAKING THE OFFER WE ALSO EXPRESSED OUR CONTINUED CONCERN THAT THE SOVIETS PROVIDE ADVANCE INFORMATION ON INTENDED PURCHASES OF U.S. GRAINS AND SOYBEANS.

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USSR POSITION:

(1) ALTHOUGH THE SOVIETS HAD INDICATED EARLIER THAT THEY WANTED ADDITIONAL CORN FOR SHIPMENT AFTER OCTOBER, THEY HAVE YET TO RESPOND TO OUR OFFER OF ADDITIONAL CORN FROM THE 1974 CROP.

(2) THE SOVIETS HAVE AGREED TO WORK TOWARD A MEANINGFUL AGRICULTURAL DATA EXCHANGE, BUT HAVE NOT BEEN FORTHCOMING IN PROVIDING THE NECESSARY INFORMATION. (END CONFIDENTIAL)

8. TAB K (BEGIN LIMITED OFFICIAL USE)

ISSUES/TALKING POINTS

CONSTRUCTION OF NEW EMBASSIES AND OPENING OF CONSULATES

TALKING POINTS

(IF GROMYKO RAISES THE SUBJECT AND SUGGESTS THAT BREZHNEV BREAK GROUND FOR THE NEW SOVIET EMBASSY DURING HIS FORTHCOMING VISIT TO WASHINGTON).

--WE FEEL THAT IT IS TOO EARLY TO SET A SCHEDULE NOW FOR THE GROUNDBREAKING CEREMONIES, SINCE ONLY PRELIMINARY PLANS HAVE BEEN COMPLETED FOR BOTH EMBASSY PROJECTS. A MAJOR DESIGN EFFORT WILL BE REQUIRED OF BOTH SIDES BEFORE FINAL PLANS WILL BE READY FOR CONSIDERATION BY WASHINGTON AND MOSCOW PLANNING AUTHORITIES. A LONG DELAY BETWEEN A SYMBOLIC GROUNDBREAKING AND THE ACTUAL START OF CONSTRUCTION COULD DRAW UNDUE PUBLIC ATTENTION TO THE PROJECTS AND MIGHT LEAD TO A FUTURE MISUNDERSTANDING.

IF GROMYKO SHOULD PRESS THE MATTER YOU MIGHT SAY:

--A SYMBOLIC GROUNDBREAKING, AS AN INDICATION OF PROGRESS AND GOOD WILL, CAN OF COURSE TAKE PLACE AT ANY TIME. HOWEVER, ACTUAL CONSTRUCTION CANNOT START UNTIL WE EXCHANGE SITES AND LEASES ON THEM ENTER INTO EFFECT. WE DOUBT THAT THE SITE EXCHANGE COULD BE EFFECTED BEFORE A SUMMIT VISIT,

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SINCE THE EXCHANGE MUST AWAIT AT LEAST THE COMPLETION OF SOVIET PLANS FOR THEIR WASHINGTON EMBASSY, AND SUBSEQUENT APPROVAL BY THE NATIONAL CAPITAL PLANNING COMMISSION.

IF GROMYKO PRESSES US ON THE EMBASSIES OR OTHER BILATERAL MATTERS, YOU MAY WISH TO RAISE THE MATTER OF CONSULATES WHERE THEY HAVE DELAYED MATTERS:

--WE INFORMED THE SOVIET EMBASSY OF OUR PROPERTY REQUIREMENTS IN KIEV IN DECEMBER AND ARE STILL AWAITING AN INITIAL OFFER. WE REGRET THAT ON THE QUESTION OF CONSULAR DISTRICTS THE SOVIET SIDE HAS BEEN UNWILLING TO COMPROMISE IN THE SLIGHTEST.

SOVIET POSITION

THE SOVIETS WANT TO BEGIN CONSTRUCTION ON THEIR EMBASSY

PROJECT BEFORE THE END OF 1975. THEY DO NOT WANT THEIR PROJECT TIED TO PROGRESS ON OUR MOSCOW EMBASSY BECAUSE THEIR PLANNING IS FURTHER ADVANCED AND FUNDS ARE ALREADY ALLOCATED. THEY WILL ALSO BE ABLE TO BUILD FASTER HERE, USING ADVANCED US METHODS, THAN WE WILL BE ABLE TO PROCEED UNDER RELATIVELY BACKWARD SOVIET CONSTRUCTION CONDITIONS. THEY WOULD ARGUE THAT MOVING FORWARD BY STAGES AMOUNTS TO PENALIZING THEM FOR OUR INACTION ON DESIGN AND FUNDING.

OUR LATEST EXCHANGE WITH THE SOVIETS ON CONSULAR DISTRICTS CONSISTED OF A SOVIET REQUEST FOR A DISTRICT MADE UP OF OHIO, PENNSYLVANIA, NEW JERSEY, NEW YORK, AND THE NEW ENGLAND STATES IN RETURN FOR THE UKRAINIAN SSR AS THE US CONSULAR DISTRICT. WE HAVE INFORMED THE SOVIET EMBASSY THAT WE WOULD BE WILLING TO ACCEPT THEIR PROPOSED DISTRICT IF THEY AGREE TO THE INCLUSION OF THE MOLDAVIAN SSR IN OURS.

THE SOVIETS HAVE REFUSED TO BUDGE AND HAVE STATED INFORMALLY THAT WE MAY REACH AN IMPASSE ON CONSULAR DISTRICTS IF WE CONTINUE TO INSIST ON THE INCLUSION OF THE MOLDAVIAN SSR IN OUR DISTRICT. THE SOVIETS HAVE
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LOCATED SUITABLE PROPERTY IN NEW YORK AND HAVE PRESSED US FOR PRELIMINARY APPROVAL, BUT HAVE OFFERED US NOTHING IN KIEV.

US POSITION

WE HAD HOPED THE US AND SOVIET EMBASSY PROJECTS WOULD MOVE FORWARD TOGETHER IN STAGES SO THAT WE COULD RETAIN THE LEVERAGE NEEDED TO ASSURE SOVIET COOPERATION IN BUILDING OUR EMBASSY IN MOSCOW. WE WOULD PREFER NOT TO EXCHANGE SITES UNTIL WE AND THE SOVIETS ARE READY TO BEGIN CONSTRUCTION. OUR PREFERENCE THAT THE TWO PROJECTS MOVE FORWARD TOGETHER IS CONSISTENT WITH THE 1972 AGREEMENT ON CONDITIONS OF CONSTRUCTION.

THE SOVIETS HAVE FUNDS ALLOCATED FOR THEIR PROJECT, AND THEY HAVE EXPRESSED CONCERN THAT THESE FUNDS WILL BE ERODED BY INFLATION IF THE PROJECT IS DELAYED. TO AVOID DEVELOPING A SERIOUS IRRITANT IN OUR BILATERAL RELATIONSHIP, WE MAY BE FORCED TO CONSIDER ALLOWING THEM TO START BUILDING IN WASHINGTON BEFORE WE ARE ABLE TO BREAK GROUND IN MOSCOW, BUT WISH TO FIND SOME WAY TO RETAIN LEVERAGE FOR OUR MOSCOW PROJECT.

WE ARE PREPARED TO MOVE AHEAD ON THE ESTABLISHMENT OF CONSULATES IF OFFERED ADEQUATE PROPERTY AND IF AGREEMENT CAN BE REACHED ON CONSULAR DISTRICTS. WE CONSIDER THE MOLDAVIAN SSR A LOGICAL AND USEFUL ELEMENT OF OUR KIEV CONSULAR DISTRICT.(END LIMITED OFFICIAL USE).

9. TAB M (BEGIN CONFIDENTIAL)

ISSUES/TALKING POINTS
TRAVEL AND VISAS OF SOVIET COMMERCIAL VISITORS

I. YOUR TALKING POINTS

THE SOVIETS HAVE IN THE PAST RAISED TWO SEPARATE ISSUES CONCERNING SOVIET VISITS TO THE U.S.-NONISSUANCE OF VISAS TO COMMERCIAL VISITORS AND CLEARANCE OF THEIR TRAVEL. THE QUESTION OF VISA DENIAL IS ALSO DEALT WITH AT TAB H.
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A. VISA ISSUANCE

--THE US GOVERNMENT RARELY DENIES VISAS TO SOVIET COMMERCIAL OFFICIALS WHOSE VISITS ARE DESIRED BY AMERICAN COMPANIES.

--DELAYS IN ISSUANCE OF COMMERCIAL VISAS TO SOVIET CITIZENS ARE ATTRIBUTABLE TO THE APPLICANTS' FAILURE TO PROVIDE COMPLETE ITINERARY INFORMATION ON THE APPLICATION, TO CONTACT IN ADVANCE FIRMS WHICH ARE LISTED ON THE APPLICATION, AND TO COMPLY WITH THE U.S. RULE REQUIRING

SUBMISSION OF COMMERCIAL VISA APPLICATIONS THREE WEEKS IN ADVANCE OF THE TIME OF DEPARTURE.

--THE NEED CONSTANTLY TO REAPPLY FOR VISAS COULD BE LIGHTENED FOR PERMANENTLY STATIONED COMMERCIAL OFFICIALS AND BUSINESSMEN BY SOVIET AGREEMENT TO A U.S. PROPOSAL FOR THE RECIPROCAL ISSUANCE OF MULTIPLE ENTRANCE-EXIT VISAS.

--IT IS IMPERATIVE THAT, AS THE COMMERCIAL CONTACTS BETWEEN THE U.S. AND THE USSR INCREASE, NO ONE BE GIVEN CAUSE TO MAINTAIN THAT EITHER SIDE HAS USED TRADE AS A COVER FOR OTHER ACTIVITIES.

B. TRAVEL CONTROLS

--THE RAPID EXPANSION OF OUR ECONOMIC RELATIONS HAS MADE TRAVEL CONTROLS INCREASINGLY BURDENSOME ON RESIDENT BUSINESSMEN AND COMMERCIAL VISITORS OF OUR TWO COUNTRIES.

--THE U.S. HAS TAKEN SEVERAL UNILATERAL STEPS TO EASE THIS BURDEN, INCLUDING A TOTAL EXEMPTION OF EXCHANGE VISITORS WHICH DATES FROM 1962 AND A RECENT SUSPENSION OF THE REQUIREMENT OF A FORMAL MINISTRY OF FOREIGN AFFAIRS REQUEST FOR TRAVEL TO CLOSED AREAS IN THE U.S. BY SOVIET COMMERCIAL VISITORS. THESE STEPS WERE TAKEN IN THE HOPE OF

CREATING AN APPROPRIATE ATMOSPHERE FOR DISCUSSION OF RECIPROCAL RELAXATION OF CONTROLS.

--I BELIEVE THE TIME MAY BE AT HAND TO EXPLORE THE POSSIBLE

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BILITIES FOR A RECIPROCAL REDUCTION OF TRAVEL RESTRICTIONS. IF YOU AGREE, THE QUESTION OF TRAVEL CAN BE DISCUSSED AT A LOWER LEVEL.

II. BACKGROUND/ANALYSIS

A. VISAS

THE DEPARTMENT IN AUGUST 1974 IMPLEMENTED NEW VISA PROCEDURES DESIGNED TO FACILITATE THE PROCESSING OF SOVIET COMMERCIAL VISITORS AND TO ENABLE THE DEPARTMENT AND OTHER INTERESTED AGENCIES TO MONITOR THE VISITS MORE EFFECTIVELY. THE PRINCIPAL EFFECT OF THE CHANGE, INsofar AS IT REQUIRES ACTION BY THE SOVIETS, IS A REQUIREMENT FOR FULLER INFORMATION FROM THE VISA APPLICANT.

THE TIME PERIOD FOR PROCESSING A VISA, ORDINARILY THREE WEEKS, HAS REMAINED UNCHANGED. RECENTLY, HOWEVER, THE INCREASE IN THE NUMBER OF SECURITY PROBLEMS HAS CAUSED

DELAYS IN A NUMBER OF CASES. IN SOME OF THE CASES THE DEPARTMENT HAS AGREED WITH THE FBI THAT VISAS SHOULD NOT BE ISSUED. HOWEVER, EVEN IN CASES WHERE THE DEPARTMENT HAS RECOMMENDED ISSUANCE, WE HAVE ENCOUNTERED DELAYS IN OBTAINING FROM THE DEPARTMENT OF JUSTICE (INS) THE WAIVER OF COMMUNIST INELIGIBILITY WHICH IS REQUIRED BY LAW.

B. TRAVEL CONTROLS

THE SOVIET GOVERNMENT HAS RESTRICTED AMERICAN TRAVEL IN THE SOVIET UNION SINCE 1941. THE US RECIPROCAL REGULATIONS ON SOVIET TRAVEL IN THIS COUNTRY, DATING FROM 1953, ARE DESIGNED TO PROVIDE AN INCENTIVE TO SOVIET AUTHORITIES FOR MODERATION OF THE FORM AND ADMINISTRATION OF THEIR CONTROLS. IN FACT, THE US REGULATIONS DO SEEM TO HAVE BEEN A FACTOR IN SEVERAL MINOR MODIFICATIONS OF SOVIET REGULATIONS, THE MOST RECENT OF WHICH, DATING FROM LAST APRIL, IS LIMITED TO DIPLOMATIC TRAVEL. THOSE MODIFICATIONS HAVE BEEN RECIPROCATED BY THE U.S.

IN 1962 THE US UNILATERALLY EXEMPTED SOVIET EXCHANGE VISIT-
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TORS FROM CLOSED AREA RESTRICTIONS IN THE UNITED STATES APPLICABLE TO OTHER SOVIET CITIZENS. THE SOVIET UNION, HOWEVER, HAS NOT RECIPROCATED THIS ACTION. CURRENT US TRAVEL REGULATIONS, MODELED ON THEIR SOVIET COUNTERPARTS, CLOSE APPROXIMATELY ONE-QUARTER OF THE

CONTINENTAL US TO SOVIET TRAVEL AND REQUIRE TWO DAYS ADVANCE NOTIFICATION FOR TRAVEL TO OPEN AREAS. THE TRAVEL REGULATIONS DO HAVE A SECURITY ROLE SINCE THE CHOICE OF CLOSED AREAS REFLECTS THE PRESENCE OF DEFENSE ESTABLISHMENTS AND THE NOTIFICATION REQUIREMENT IS USEFUL TO THE FBI. THE REGULATIONS ALSO SERVE AS THE BASIS OF THE DEPARTMENT'S COMMERCIAL INFORMATION SYSTEM WHICH IS DESIGNED BOTH TO FACILITATE COMMERCIAL CONTACTS AND TO AID IN THE ENFORCEMENT OF US EXPORT CONTROL AND CLASSIFIED CONTRACT REGULATIONS. HOWEVER, THE US GOVERNMENT HAS CONSISTENTLY EMPHASIZED THE RECIPROCAL NATURE OF THE CONTROLS AND OUR WISH TO HAVE THEM ABOLISHED IN BOTH COUNTRIES.

III SOVIET POSITION

THE SOVIETS IN THE PAST HAVE TAKEN THE POSITION THAT TRAVEL OF FOREIGNERS IS AN INTERNAL MATTER FOR EACH COUNTRY TO REGULATE AS IT SEES FIT. THEY HAVE ALSO COMPLAINED THAT US CONTROLS, WHILE RECIPROCAL, ARE DISCRIMINATORY AGAINST SOVIETS. SOVIET REGULATIONS APPLY TO NATIONALS OF ALL

COUNTRIES. IN A RECENT MODIFICATION OF THEIR REGULATIONS AS APPLIED TO DIPLOMATS, HOWEVER, THE SOVIETS DISPLAYED SOME WILLINGNESS TO TREAT TRAVEL AS A RECIPROCAL, BILATERAL MATTER. THEY MAY ALSO BE CONCERNED AT DELAY OR NONISSUANCE OF VISAS IN SEVERAL RECENT CASES, AND MAY SUSPECT THAT THE ACTION WAS TAKEN ON SECURITY GROUNDS.

IV US POSITION

THE US GOVERNMENT HAS CONSISTENTLY WELCOMED ANY SOVIET REDUCTION OF TRAVEL CONTROLS, WHETHER IN THE FORM OF UNILATERAL SOVIET ACTION OR NEGOTIATED RECIPROCAL REDUCTION. WE ARE PREPARED TO DISCUSS AT ANY TIME RECIPROCAL RELAXATION OF CONTROLS OR TO RECIPROCATATE ANY UNILATERAL SOVIET CHANGES. IT IS OUR POSITION THAT SUCH REDUCTIONS SHOULD APPLY EQUALLY.

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LY TO ALL AMERICANS, REGARDLESS OF COMMERCIAL, DIPLOMATIC OR JOURNALISTIC STATUS. HOWEVER, WE WOULD WELCOME AN AGREEMENT IN THE COMMERCIAL FIELD WHICH CONSTITUTED A FIRST STEP IN THE DIRECTION OF A MORE GENERAL RELAXATION OF TRAVEL RESTRICTIONS. ON THE VISA QUESTION, INCREASED NUMBERS OF SOVIET "COMMERCIAL VISITORS" WITH INTELLIGENCE BACK-GROUNDS POSE REAL PROBLEMS FOR THE FBI AND, IF THE SITUATION SHOULD COME TO THE ATTENTION OF THE PUBLIC OR PRESS COULD SERIOUSLY DAMAGE OUR RELATIONS WITH THE SOVIET UNION.

(END CONFIDENTIAL) INGERSOLL

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